Hovsepian v. Apple, Inc. Doc. 145

HENNIGAN, BENNETT & DORMAN LLP
Roderick G. Dorman (SBN 96908)
Alan P. Block (SBN 143783)
Kevin Shenkman (SBN 223315)
601 South Figueroa Street, Suite 3300
Los Angeles, California 90017
Phone: (213) 694-1200
Fax: (213) 694-1234
dormanr@hbdlawyers.com
blocka@hbdlawyers.com
shenkmank@hbdlawyers.com

Attorneys for Plaintiff
ACACIA MEDIA TECHNOLOGIES CORPORATION

UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re ACACIA MEDIA TECHNOLOGIES CORPORATION	Case No. 05 CV 01114 JW **PLAINTIFF ACACIA MEDIA TECHNOLOGIES CORPORATION'S LEGAL MEMORANDUM RE THE DEFINITIONS OF THE CLAIM TERMS FROM THE '992 AND '275 PATENTS**

Dockets.Justia.com

TABLE OF CONTENTS

(Page)

I. INTRODUCTION 1

II. CLAIM 19 OF THE ‘992 PATENT 3

1. “Distribution Method Responsive to Requests From a User Identifying Items in a Transmission System Containing Information” (‘992 Patent, Claim 19) 3

2. “Remote Locations” (‘992 Patent, Claims 19, 41, 47; ‘275 Patent, Claims 2, 5) 6

3. “Storing, in the Transmission System, Information From Items In a Compressed Data Form, the Information Including an Identification Code and Being Placed Into Ordered Data Blocks” (‘992 Patent, Claims 19, 47; ‘275 Patent, Claims 2, 5) 8

4. “Receiving System” (‘992 Patent, Claims 19, 47; ‘275 Patent, Claims 2, 5) 13

5. “Items Containing (or Having) Information” (‘992 Patent, Claims 19, 41, 47; ‘275 Patent, Claims 2, 5) 16

6. “Time Requested by the User” (‘992 Patent, Claims 19, 47; ‘275 Patent, Claims 2, 5) 20

7. “User” (‘992 Patent, Claim 19, 47; ‘275 Patent, Claims 2, 5) 22

8. “To One of the Receiving Systems at One of the Remote Locations Selected by the User” and “the Receiving System at the Selected Remote Location”; “The Receiving System at One of the Remote Locations Selected by the User”; and “the Receiving System at the Selected Remote Location” (‘992 Patent, Claims 19, 47) 25

9. “Sending at Least a Portion of the Stored Information From the Transmission System” (‘992 Patent, Claims 19; ‘275 Patent, Claims 2, 5) 29

10. The Order of the Steps of Claim 19 (‘992 Patent, Claims 19) 30

III. CLAIM 20 OF THE ‘992 PATENT 32

11. “Wherein the Information in the Items Includes Analog and Digital Signals” and “Ordering the Converted Analog Signals and the Formatted Digital Signals Into a Sequence of Addressable Data Blocks.” (‘992 Patent, Claim 20) 32

12. The Order of the Steps of Claim 20 (‘992 Patent, Claim 20) 36

TABLE OF CONTENTS

Page

IV. CLAIM 21 OF THE ‘992 PATENT 37

13. The Order of the Steps of Claim 21 (‘992 Patent, Claim 21) 38

V. CLAIM 23 OF THE ‘992 PATENT 40

14. “The Step of Storing Includes the Step of Storing the Received Information at the Head End of a Cable Television Reception System” (‘992 Patent, Claim 23) 40

15. The Order of the Steps of Claim 23 (‘992 Patent, Claim 23) 43

VI. CLAIM 24 OF THE ‘992 PATENT 44

16. “The Step of Storing Includes the Step of Storing the Received Information in an Intermediate Storage Device” (‘992 Patent, Claim 24) 44

17. The Order of the Steps of Claim 24 ('992 Patent, claim 24) 46

VII. CLAIM 41 OF THE ‘992 PATENT 47

18. “A Method of Transmitting Information to Remote Locations, the Transmission Method Comprising the Steps, Performed by a Transmission System, of” and “Comprises the Steps, Performed By a Transmission System” (‘992 Patent, Claims 20, 41) 47

19. “Sequence of Addressable Data Blocks” (‘992 Patent, Claim 41) 51

20. “Compressing the Formatted and Sequenced Data Blocks” (‘992 Patent, Claim 41) 52

21. “Sending at Least A Portion of The File to One of the Remote Locations” (‘992 Patent, Claim 41) 53

22. The Order of the Steps of Claim 41 ('992 Patent, Claim 41) 56

VIII. CLAIM 42 OF THE ‘992 PATENT 58

23. The Order of the Steps of Claim 42 ('992 Patent, Claim 42) 58

IX. CLAIM 43 OF THE ‘992 PATENT 59

24. The Order of the Steps of Claim 43 ('992 Patent, Claim 43) 60

X. CLAIM 44 OF THE ‘992 PATENT 61

25. The Order of the Step of Claim 44 ('992 Patent, Claim 44) 61

TABLE OF CONTENTS

Page

XI. CLAIM 45 OF THE ‘992 PATENT 62

26. “Separately Storing a Plurality of Files, Each Including Compressed, Sequenced Data Blocks” (‘992 Patent, Claim 45) 62

27. The Order of the Steps of Claim 45 ('992 Patent, Claim 45) 64

XII. CLAIM 46 OF THE ‘992 PATENT 64

28. “Receiving Transmission Requests to Transmit Available Items” (‘992 Patent, Claim 46) 64

29. The Order of the Steps of Claim 46 ('992 Patent, Claim 46) 67

XIII. CLAIM 47 OF THE ‘992 PATENT 68

30. “Storage Means in the Transmission System for Storing Information from the Items in a Compressed Data Form, in Which the Information Includes an Identification Code and is Placed Into Ordered Data Blocks” (‘992 Patent, Claim 47) 69

31. “Requesting Means in the Transmission System, Coupled to the Storage Means, for Receiving Requests From a User for at Least a Part of the Stored Information to be Transmitted to the Receiving System at One of the Remote Locations Selected By the User” (‘992 Patent, Claim 47) 73

32. “Transmission Means in the Transmission System, Coupled to the Requesting Means, for Sending at Least a Portion of the Stored Information to the Receiving System at the Selected Remote Location” (‘992 Patent, Claim 47) 74

33. “Receiving Means in the Receiving System for Receiving the Transmitted Information” (‘992 Patent, Claim 47) 76

34. “Memory Means in the Receiving System, Coupled to the Receiving Means, for Storing a Complete Copy of the Received Information” (‘992 Patent, Claim 47) 78

35. “Playback Means in the Receiving System, Coupled to the Memory Means, for Playing Back the Stored Copy of the Received Information at a Time Requested by the User” (‘992 Patent, Claim 47) 79

XIV. CLAIM 48 OF THE ‘992 PATENT 81

36. “Conversion Means, for Converting the Analog Signals of the Information to Digital Components” (‘992 Patent, Claim 48) 81

TABLE OF CONTENTS

Page

37. "Formatting Means, Coupled to the Conversion Means, for Formatting the Digital Signals of the Information" ('992 Patent, Claim 48) 82

38. "Ordering Means, Coupled to the Formatting Means, for Ordering the Converted Analog Signals and the Formatted Digital Signals Into a Sequence Of Addressable Data Blocks" ('992 Patent, Claim 48) 84

39. "Compression Means, Coupled to the Ordering Means, for Compressing the Ordered Information" ('992 Patent, Claim 48) 85

XV. CLAIM 49 OF THE '992 PATENT 87

40. "A Distribution System as Recited in Claim 47, Wherein the Memory Means Includes a Means for Receiving Information at the Head End of a Cable Television Reception System" ('992 Patent, Claim 49) 87

XVI. CLAIM 51 OF THE '992 PATENT 88

41. "A Distribution System as Recited in Claim 49, Wherein the Head End of the Cable Television Reception System Includes Means for Distributing Compressed Signals" ('992 Patent, Claim 51) 88

XVII. CLAIM 52 OF THE '992 PATENT 89

42. "A Distribution System as Recited in Claim 49, Wherein the Head End of the Cable Television System Includes Means for Decompressing the Received Signals and for Distributing the Decompressed Received Signals and Compressed Received Signals" ('992 Patent, Claim 52) 89

XVIII. CLAIM 53 OF THE '992 PATENT 91

43. "A Distribution System as Recited in Claim 47, Wherein the Memory Means is an Intermediate Storage Device" ('992 Patent, Claim 53) 91

XIX. CLAIMS 2 AND 5 0F THE '275 PATENT 92

44. "Reception System Associated With a Receiving System at One of the Remote Locations Selected by the User" ('275 Patent – 2, 5) 93

45. "Sending a Request, by the User to the Transmission System, for at Least a Part of the Stored Information to be Transmitted to a Reception System Associated With a Receiving System" ('275 Patent, Claims 2, 5) 97

TABLE OF CONTENTS

Page

46. "Playing Back the Stored Copy of the Information from the Reception System to the Receiving System at the Selected Location at a Time Requested by the User" ('275 Patent, Claim 2) 101

47. "Sending at Least a Portion of the Stored Information to the Reception System" ('275 Patent, Claim 2) 104

48. "Playing Back the Stored Copy of the Information Sent Over a Cable Communication Path from the Reception System to the Receiving System at the Selected Location at a Time Requested by the User" ('275 Patent, Claim 5) 105

49. The Order of the Steps of Claims 2 and 5 of the '275 Patent ('275 Patent, Claims 2 and 5)... 106

XX. CONCLUSION 108

TABLE OF AUTHORITIES

Page

Cases

Altiris, Inc. v. Symantec Corp.
318 F.3d 1363 (Fed. Cir. 2003) 38

Atmel Corp. v. Info. Storage Devices, Inc.
198 F.3d 1374 (Fed. Cir. 1999) 72

BBA Nonwovens Simpsonville, Inc. v. Superior Nonwovens, LLC
303 F.3d 1332 (Fed. Cir. 2002) 69

Budde v. Harley-Davidson, Inc.
250 F.3d 1369 (Fed. Cir. 2001) 72

C.R. Bard, Inc. v. M3 Sys., Inc.
157 F.3d 1340 (Fed. Cir. 1998) 48

Catalina Mktg. Int'l v. Coolsavings
289 F.3d 801 (Fed. Cir. 2002) 4

Chimie v. PPG Indus.
402 F.3d 1371 (Fed. Cir. 2005) 13

Collegenet, Inc. v. Applyyourself, Inc.,
418 F.3d 1225 (Fed. Cir. August 2, 2005) 12

Creo Prods. v. Presstek, Inc.
305 F.3d 1337 (Fed. Cir. 2002) 72, 90

Free Motion Fitness, Inc. v. Cybex International, Inc.
423 F.3d 1343 (Fed. Cir. 2005) 11

Hoganas AB v. Dresser Industries, Inc.
9 F.3d 948 (Fed. Cir. 1993) 28

Intel Corp. v. VIA Techs.
319 F.3d 1357 (Fed. Cir. 2003) 72

Interactive Gift Express, Inc. v. Compuserve Inc.
231 F.3d 859 (Fed. Cir. 2000) 13, 38

Intirtool, Ltd. v. Texar Corp.
369 F.3d 1289 (Fed. Cir. 2004) 4

KCJ Corp. v. Kinetic Concepts, Inc.,
223 F.3d 1351 (Fed. Cir. 2000) 12, 54

TABLE OF AUTHORITIES

Page

Micro Chem., Inc. v. Great Plains Chem. Co.
194 F.3d 1250 (Fed. Cir. 1999) 69

Modine Mfg. Co. v. United States Int'l Trade Comm'n
75 F.3d 1545 (Fed. Cir. 1996) 13

Phillips v. AWH Corp.
415 F.3d 1303 (Fed. Cir. 2005) 7, 98

Rowe v. Dror
112 F.3d 473 (Fed. Cir. 1997) 4

S3 Inc. v. nVIDIA
259 F.3d 1364 (Fed. Cir. 2001) 72

Scanner Technologies Corp. v. ICOS Vision Systems Corp. N.V.
365 F.3d 1299 (Fed. Cir. 2004) 12

Teleflex, Inc. v. Ficosa N. Am. Corp.
299 F.3d 1313 (Fed. Cir. 2002) 19

TI Group Auto. Sys. (N. Am.), Inc. v. VDO N. Am., L.L.C.
375 F.3d 1126 (Fed. Cir. 2004) 69

TI Group Automotive System
375 F.3d at 1135 .... 78, 92

Vaupel Textilmaschinen KG v. Meccanica Euro Italia S.P.A.
944 F.2d 870 (Fed. Cir. 1991) 48

Vitronics Corp. v. Conceptronic, Inc.
90 F.3d 1576 (Fed. Cir. 1996) 12

Wilson Sporting Goods Co. v. Hillerich & Bradsby Co.
2006 U.S. App. LEXIS 7169 (Fed. Cir. March 23, 2006) 19, 94

Statutes

35 U.S.C. § 112, ¶ 6 .... passim

I. INTRODUCTION

Plaintiff Acacia Media Technologies Corporation ("Acacia") hereby submits its legal memorandum in support of its definitions for the claim terms from the '992 and '275 patents. The claims at issue from the '992 patent are claims 19-24, 41-49, and 51-53. The claims at issue from the '275 patent are claims 2 and 5.

This brief addresses 49 claim terms and issues (the order in which claim steps are performed). In preparation of the Joint Chart, filed concurrently herewith, the parties exchanged their proposed constructions for nearly every term of claims 19-24, 41-49, and 51-53 of the '992 patent and claims 2 and 5 of the '275 patent, including the order of the steps of each method claim. The parties were only able to agree on the constructions of three claim terms, which are set forth in the concurrently-filed stipulation.

The defendants have divided themselves into two groups – (1) the Rounds 1 and 2 Defendants[1], and (2) the Round 3 Defendants[2]. The Rounds 1 and 2 Defendants comprise all of the defendants who were in the case for the first and second Markman hearings and are comprised of large and small cable companies, the satellite companies, and all of the Internet companies. The

[1] The Rounds 1 and 2 Defendants are the Cable, Satellite, and Internet defendants whom Acacia sued in the first two rounds of complaints. The Rounds 1 and 2 Defendants are: Comcast Cable Communications, LLC; The DIRECTV Group, Inc.; EchoStar Satellite LLC; EchoStar Technologies Corp.; Charter Communications, Inc.; Armstrong Group; Block Communications, Inc.; East Cleveland Cable TV and Communications LLC; Wide Open West Ohio LLC; Massillon Cable TV, Inc.; Mid-Continent Media, Inc.; US Cable Holdings LP; Savage Communications, Inc.; Sjoberg's Cablevision, Inc.; Loretel Cablevision; Arvig Communications Systems; Cannon Valley Communications, Inc.; NPG Cable, Inc.; Cable One, Inc.; Mediacom Communications Corp.; Bresnan Communications; Cequel III Communications I, LLC (dba Cebridge Connections); Coxcom, Inc.; Hospitality Network, Inc.; New Destiny Internet Group LLC; Audio Communications, Inc.; VS Media Inc.; Ademia Multimedia LLC; Adult Entertainment Broadcast Network; Cyber Trend Inc.; Lightspeed Media Group, Inc.; Adult Revenue Services; Innovative Ideas International; Game Link Inc.; Club Jenna Inc.; Global AVS Inc.; ACMP LLC; Cybernet Ventures Inc.; National A-1 Advertising Inc.; and AEBN, Inc; AP Net Marketing, Inc., ICS, Inc., International Web Innovations, Inc., Offendale Commercial BV, AskCS.com, and Cable America, Inc. Although Defendants Insight Communications, Inc. and Bresnan Communications were sued in Round 3, they are joining the Rounds 1 and 2 Defendants' proposed constructions.

[2] The Round 3 Defendants are two of the cable company defendants whom Acacia sued in New York in the third round of complaints: Time Warner Cable, Inc. and CSC Holdings, Inc.

Round 3 defendants are Time Warner and Cablevision (CSC Holdings), which recently joined this case from the New York district courts. Despite the fact that both groups of defendants include large cable companies, these two groups do *not* agree on the construction of many claim terms and, in fact, in some cases, *disagree* as to whether a particular claim term is indefinite or not.

The large number of claim terms requiring construction in this round of Markman hearings is caused by the fact that the Rounds 1 and 2 Defendants contend that *every one* of the "means plus function" terms of claims 48, 49, and 51-53 of the '992 patent are indefinite. As the Court will see from this brief and from the clear disclosures of structure in the patent specification, defendants' contentions regarding the means plus function claim terms are meritless and have unnecessarily expanded the subject matter of these Markman proceedings.[3]

Acacia has organized this memorandum to follow the claims at issue in consecutive order as they are presented, first in the '992 patent, and then in the '275 patent. The length of this brief is due not only to the number of terms that are at issue and the multiple proposed constructions adopted by the two defendant groups, but is also due to the fact that, for the Court's convenience: (1) Acacia has included the text of each claim at issue, with the terms to be construed identified in bold and by number; (2) for each bolded term at issue, Acacia has provided a chart setting forth each parties' (Acacia's, the Rounds 1 and 2 Defendants', and the Round 3 Defendants') proposed construction for that term; and (3) Acacia has copied into this brief the relevant text from the patent specifications and Figures to demonstrate the support in the specification for Acacia's construction and to rebut defendants' proposed constructions. As the Court has requested, this memorandum does not contain hornbook claim construction law about which the court is aware and which has been the subject of prior briefing in this case. The legal discussion contained herein is limited to

[3] The question of indefiniteness involves the understanding of a hypothetical person of ordinary skill in the art in 1991. At this stage of the proceedings, it is Acacia's understanding that the Court only wanted to consider the intrinsic patent evidence. However, if, after considering the intrinsic evidence, the Court is in any way inclined to find any claim term indefinite, Acacia requests that the Court refrain from making a final decision until after Acacia has had an opportunity to present expert testimony, as it did in the second Markman hearing.

relevant case citations and legal propositions directed to specific, more obscure claim interpretation raised herein.

II. CLAIM 19 OF THE '992 PATENT

Claim 19 of the '992 patent is an independent method claim:

> 19. A **[1]**[4] **distribution method responsive to requests from a user identifying [5] items in a transmission system containing information** to be sent from the transmission system to receiving systems at **[2] remote locations**[5], the method comprising the steps of:
>
> **[3] storing, in the transmission system, information from items in a compressed data form, the information including an identification code and being placed into ordered data blocks**;
>
> sending a request, by the **[7] user** to the transmission system, for at least a part of the stored information to be transmitted **[8] to the one of the [4] receiving systems at one of the remote location selected by the user**;
>
> sending at least a portion of the stored information from the transmission system to **[8] the receiving system at the selected remote location**;
>
> receiving the sent information by the receiving system at the selected remote location;
>
> storing a complete copy of the received information in the receiving system at the selected remote location; and
>
> playing back the stored copy of the information using the receiving system at the selected remote location at a **[6] time requested by the user**.

1. "Distribution Method Responsive to Requests From a User Identifying Items in a Transmission System Containing Information" ('992 Patent, Claim 19)

Acacia	This preamble is not limiting.
Rounds 1 and	The preamble is limiting and requires, *inter alia*, that the user's request

[4] The bracketed numbers indicate the heading number in this memorandum which discusses that term and indicate the number in the Joint Chart for that term.

[5] This term and others of claim 19 appear in other claims of the '992 and '275 patents which are also discussed in this brief. Although Acacia will discuss this term and others with respect to Claim 19, unless otherwise stated, Acacia's discussion applies equally to the use of these terms in those other claims. When discussing each term that appears in any other claim, Acacia will note those claims and will discuss any issues relevant to those other claims.

2 Defendants	identifies items, that the items are contained in the transmission system, and that the items contain information.
Round 3 Defendants	A user request must contain an identifier of physical items containing information that has not yet undergone the compression recited in the first storing step. The physical items must be in the transmission system such that this information can be retrieved from the physical items in response to user requests. The physical items must be in the transmission system such that the information can be retrieved from the physical items in response to user requests.

The phrase "distribution method responsive to requests from a user identifying items in a transmission system containing information" appears only as part of the preamble of claim 19 of the '992 Patent. This part of the preamble identifies this claim as a "distribution method." The preamble further states that the distribution method is "responsive to requests from a user identifying items in a transmission system containing information."

These preamble statements merely describe the intended use of the invention; they are not necessary to give meaning to the claim. This preamble is therefore not a limitation of claim 19.

A claim preamble which merely describes the use of an invention does not limit the claims:

> [A] preamble is not limiting "where a patentee defines a structurally complete invention in the claim body and uses the preamble only to state a purpose or intended use for the invention."

Catalina Mktg. Int'l v. Coolsavings, 289 F.3d 801, 809 (Fed. Cir. 2002), *quoting*, *Rowe v. Dror*, 112 F.3d 473, 478 (Fed. Cir. 1997).

Further, the body of claim 19 describes a complete distribution method invention. If the body of the claim describes a complete invention, such that the deletion of the preamble does not affect the steps of the claimed invention, then the preamble is not a limitation:

> In general, a claim preamble is limiting if it recites essential structure or steps, or if it is necessary to give 'life, meaning, and vitality' to the claim. However, if the body of the claim describes a structurally complete invention such that deletion of the preamble phrase does not affect the structure or steps of the claimed invention, the preamble is generally not limiting unless there is clear reliance on the preamble during prosecution to distinguish the claimed invention from the prior art. * * * Moreover, preambles describing the use of an invention generally do not limit the claims because the patentability of apparatus or composition claims depends on the claimed structure, not on the use or purpose of that structure.

Intirtool, Ltd. v. Texar Corp., 369 F.3d 1289, 1295 (Fed. Cir. 2004) (internal citations and quotations omitted).

The facts of this case are similar to those in *Catalina Marketing* and in *Intirtool, Ltd.* In *Catalina Marketing*, the court found that a preamble "located at predesignated sites such as consumer stores" is not a claim limitation, because the inventors did not rely on this phrase to define their invention or to distinguish over prior art, and, if deleted, there would be no effect on the claim itself:

> In this case, the claims, specification, and prosecution history of the '041 patent demonstrate that the preamble phrase "located at predesignated sites such as consumer stores" is not a limitation of Claim 1. The applicant did not rely on this phrase to define its invention nor is the phrase essential to understand limitations or terms in the claim body. Although the specification refers to terminals located at points of sale, and even once states that terminals may be placed in retail stores, the specification, in its entirety, does not make the location of the terminals an additional structure for the claimed terminals. See '041 patent, col. 1, l. 67 - col. 2, l. 37 and col. 4, ll. 65-67.
>
> * * *
>
> Moreover, deletion of the disputed phrase from the preamble of Claim 1 does not affect the structural definition or operation of the terminal itself. The claim body defines a structurally complete invention. The location of the terminals in stores merely gives an intended use for the claimed terminals. As already noted, the applicants did not rely on this intended use to distinguish their invention over the prior art.

Catalina Marketing, 289 F.3d at 810.

The court also found that the preamble in *Intirtool* was not limiting, because: (1) the claimed tool was described in great detail in the body of the claim, (2) the preamble did not recite any additional structure or steps underscored as important by the specification, and (3) the patentee did not rely specifically on the preamble, rather than the structural limitations of the claim, during prosecution. *Intirtool*, 369 F.3d at 1295 ("In short, the preamble adds nothing to this highly detailed claim and thus cannot be considered to give 'life, meaning, and vitality' to it.")

In this case, the preamble merely describes the intended use of the invention, and therefore it is not limiting. The preamble states that the invention is a "distribution method" and therefore the intended use of the claimed method is for "distribution." The remainder of this portion of the preamble – "responsive to requests from a user identifying items in a transmission system containing information" – further describes the intended use of the method – to distribute information in response to user requests. Here, as in *Catalina Marketing* and *Intirtool*, the patentees did not rely on the preamble of claim 19 for patentability during prosecution and the preamble does not add any additional structure or steps which are considered important by the specification. The body of the claim includes a user request step, and therefore this portion of the preamble can be deleted without affecting the steps of the claimed method.

2. "Remote Locations" ('992 Patent, Claims 19, 41, 47; '275 Patent, Claims 2, 5)

Acacia	The Court's prior construction -- Positions or sites distant in space from the transmission system.
Rounds 1 and 2 Defendants	See construction of 'the remote location selected by the user" and "selected remote location" below.
Round 3 Defendants	See construction of "the remote locations selected by the user" and "selected remote location" elsewhere in this chart.

The term "remote locations" appears in claims 19, 41, and 47 of the '992 patent and in claims 2 and 5 of the '275 patent. In claims 19 and 47 of the '992 patent and in claims 2 and 5 of the '275 patent, the remote locations are remote from the transmission system: ". . . to be sent *from the transmission system to* receiving systems at *remote locations*." In claim 41 of the '992 patent, the remote locations are also remote from the transmission system: "[a] method of *transmitting* information *to remote locations*, the transmission method comprising the steps, *performed by a transmission system*, of. . ."

The Court has already twice considered the construction of the term "remote locations." Acacia agrees with the Court's construction for "remote locations."

In its first Markman Order, the Court construed "remote locations" to generally mean "positions or sites distant in space from some identified place" and in claim 41 to mean "positions or sites distant in space from the transmission system." (See, July 12, 2004 Markman Order ("Markman I"), at 7:20-24). Specifically, the Court found, based on the language of the preamble which referenced the term "remote locations" in relation to the transmission system, that the "remote locations" in claims 1 and 41 of the '992 patent are "sites remote from the transmission system to which at least a portion of the file is sent." The Court also found that the term "remote locations" is "used consistently by the inventors in all claims but the inventors added additional words that limit the term to a remote location selected by the user in claims 19 and 47." (Markman I, at 4:27-5:2); *See also*, *Phillips v. AWH Corp.*, 415 F.3d 1303, 1314 (Fed. Cir. 2005) (*en banc*) ("Claim terms are normally used consistently throughout the patent.") Thus, the Court refused to add the limitation proposed by the Internet defendants of "more than one location selected by the user" to the meaning of "remote locations," because to do so would read extraneous limitations into the term. (Markman I, at 5:3-12). The Court also rejected defendants' other arguments regarding the prosecution history of the '992 and the later-filed '720 patents. (Markman I, at 6:3-7:24).

In its second Markman Order, the defendants contended that "remote location" means "a location remote from the requesting site." The Court, however, rejected this construction and affirmed its construction of "remote locations" and the justifications set forth in its first Markman Order. (December 7, 2005 Markman Order ("Markman II"), at 4:1-5).

In their discussion of the meaning of "remote locations selected by the user" and "selected remote location," in claims 19 and 47 of the '992 patent and claims 2 and 5 of the '275 patent (discussed in detail in Section No. 8, herein), the Round 3 Defendants propose a construction for "remote locations" which requires that the remote locations be remote from the requesting location and that the term "location" be construed to mean "premises."

The Court has already considered and rejected the Round 3 Defendants' proposed construction. The Round 3 Defendants propose that the term "remote locations" be construed to mean "a premises distant in space from both (i) the premises of the user at the time when the user is selecting a remote location; and (ii) the transmission system." In Markman I, the Internet Defendants proposed that "remote locations" be construed to mean "more than one location selected by the user." In Markman II, the Rounds 1 and 2 Defendants proposed that the term "remote locations" be construed to mean "a location remote from the requesting site." The Court refused to construe "remote locations" in either manner, because the Court correctly understood that the context of the claims made clear that the remote locations are remote from the transmission system. The Court also found that the additional language of claims 19 and 47 further defined the remote locations, but could not be used to add extraneous limitations to the meaning of "remote locations" by itself. (Markman I, at 4:16-5:22).

The Round 3 Defendants' use of the term "premises" in its construction is also incorrect. In Markman I, the Court found that the ordinary meaning of "remote locations" is "*positions or sites* distant in space from some identified place." (Markman I, at 4:16-22). In Markman I, the Court rejected the Internet Defendants' contention that the term "location" should be construed as a "premises."[6] (Markman I, at 30 n. 22).

3. "Storing, in the Transmission System, Information From Items In a Compressed Data Form, the Information Including an Identification Code and Being Placed Into Ordered Data Blocks" ('992 Patent, Claims 19, 47; '275 Patent, Claims 2, 5)

Acacia	The phrase "storing, in the transmission system, information from items in a compressed data form, the information including an identification code and being placed into ordered data blocks" means the act of storing information from at least a first item and a second item in the transmission system. The stored information for each item is in a compressed data form and the stored information for each item is accompanied by an identification code. The phrase "being placed into ordered data blocks" means that the information for each item was placed into ordered data blocks (i.e., time encoded) prior to being compressed. The term "identification code" means an identifier which identifies information.
Rounds 1 and 2 Defendants	The identification code and ordered data blocks must be stored in a compressed data form. Otherwise, the phrase does not need further construction.
Round 3 Defendants	This claim term requires all of the following steps, in the stated order: i. obtaining information, including an identification code, from the plurality of (two or more) physical items; ii. placing the information that is obtained from the plurality of physical items into a single set of ordered data blocks; iii. compressing the information which is in the single set of ordered data

[6] It should be noted that, when the Rounds 1 and 2 Defendants sought reconsideration of the Court's construction of the term "remote locations," in the second Markman hearing, they did not ask the Court to reconsider the portion of the Court's construction of "remote locations" relating to the meaning of "locations" as "premises."

	blocks; and iv. storing the compressed information "in the transmission system."

This phrase "storing, in the transmission system, information from items in a compressed data form, the information including an identification code and being placed into ordered data blocks" appears in claims 19 and 47 of the '992 patent and in claims 2 and 5 of the '275 patent.

This phrase refers to the act of storing compressed information from a plurality of items in the transmission system. As described in the specification and shown in Figures 2a and 7, each item has information and each item is assigned a unique identification code. The information for each item is formatted, ordered (i.e., time encoded), and then compressed. This formatted, ordered, compressed information for each item is then stored in a separate file for that item in the transmission system, each file being stored with its unique identification code:

> Prior to being made accessible to a user of the transmission and receiving system of the present invention, the item must be stored in at least one compressed data library 118, and given a unique identification code by identification encoder 112.

('992 patent, 6:35-39).

> In accordance with a preferred embodiment of the present invention, the transmission system 100 may further comprise compressed data storing means, coupled to the compression means, for storing as a file the compressed sequenced data with the unique identification code received from the data compression means.

('992 patent, 10:17-22).

> Further, according to the present invention, the transmission system preferably includes compressed data library means for separately storing composite formatted data blocks for each of the files.

('992 patent, 10:31-34).

> After the information for the selected items is retrieved in step 412, the distribution method 400 of the present invention further comprises the step of processing the information for efficient transfer (step 413). The processing performed in step 413 preferably includes assigning a unique identification code to the retrieved information performed by identification encoder 112 shown and described with respect to FIG. 2a (step 413a). The processing also preferably includes placing the retrieved information into a predetermined format as formatted data by converter 113 (step 413b), and placing the formatted data into a sequence of addressable data blocks by ordering means 114 (step 413c).

> Processing step 413 also includes compressing the formatted and sequenced data performed by data compressor 116 (step 413d), and storing as a file the compressed sequenced data received from the data compression means with the unique identification assigned by the identification encoding means (step 413e).

('992 patent, 18:60-19:10).

"Ordered data blocks" are synonymous with "time encoded data blocks." This is because the specification states that the "*ordering* means" places formatted information into a "*sequence* of addressable data blocks." ('992 patent, 7:59-62). The term "order" is also synonymous with the term "sequence" in dependent claim 20. Claim 20 requires the steps of: (1) *ordering* the converted analog signals and the formatted digital signals into a *sequence* of addressable data blocks; and (2) compressing the *ordered* information. *See, Phillips*, 415 F.3d at 1314 ("Claim terms are normally used consistently throughout the patent.")

The Court has already construed the "ordering means for placing the formatted data into a sequence of addressable data blocks" as a "time encoder" and similarly construed the phrase "sequence of addressable data blocks" as "time encoded data blocks" (*See*, Markman I, at 22:16-21 and 23:3-6).

The Rounds 1 and 2 Defendants contend that the identification code must be stored in a compressed data form. Thus, the defendants are attempting to improperly import limitations into the claims which do not exist. The claim does not say that the identification code must be stored in a compressed data form. The claim says that only the "information from items" is stored in a compressed data form. The identification code is not "information from items;" it is a code that, as described in the specification, is *assigned to* the information for identifying the information: "Prior to being made accessible to a user of the transmission and receiving system of the present invention, the item must be stored in at least one compressed data library 118, and given a unique identification code by identification encoder 112." ('992 patent, 6:35-39).

Nothing in the specification states or even implies that the identification code must be stored in a compressed form. Instead, the specification states that the compressed information is stored "with" the identification code: "Processing step 413 also includes compressing the formatted and sequenced data performed by data compressor 116 (step 413d), and storing as a file the compressed sequenced data received from the data compression means *with* the unique identification assigned by the identification encoding means (step 413e)." ('992 patent, 19:5-10). In Markman I, the Internet Defendants made a similar argument that the term "with" in the phrase of claim 41 – "storing, as a file, the compressed, formatted, and sequenced data blocks with the assigned unique identification code" – means that the unique identification code is compressed and stored in the file. The Court disagreed and held that "with" means "'accompanying or in the presence of' such that sequenced data blocks are accompanied by a corresponding unique identification code when stored." (Markman I, at 26:3-9). The same is true for this claim phrase.

The Round 3 Defendants contend that this phrase includes the step of placing information into a single set of ordered data blocks and the step of compressing. There is no step (or act) of placing into ordered data blocks or compressing in this phrase. The only step required is that of "storing." What is being stored is information from items which have already been placed into ordered data blocks and which have been compressed, i.e., the information is already in a compressed data form and there is no requirement in the claimed method that the additional step of placing into ordered data blocks or compressing be performed. This is evident from the use of the past tense "storing . . . in a compress*ed* data form" and "plac*ed* into ordered data blocks."

The Round 3 Defendants contend that the information is obtained from "physical" items. Acacia disagrees that items are limited to "physical" items and will discuss this issue in Section No. 5 herein with respect to the construction of the term "items containing (or having) information."

The Round 3 Defendants contend: (1) that the information obtained from the plurality of items "includes an identification code," and (2) that only one set of ordered data blocks is formed from the information from the plurality of items. The Round 3 Defendants are apparently relying on the use of the phrase "*the* information including *an* identification code and being placed into ordered data blocks" in the claim.

The claim language does not support limiting this phrase to a single identification code which identifies all of the plurality of items and does not support limiting this phrase to a single set of ordered data blocks formed from the information from the plurality of items. This claim phrase refers to information from item*s* (plural). It also uses the transitional phrase "comprising."

Therefore the correct construction for the term “an” is “one or more.” *Free Motion Fitness, Inc. v. Cybex International, Inc.*, 423 F.3d 1343, 1350-1351 (Fed. Cir. 2005) (construing “a linking cable” as “one or more linking cables” and stating that “the claim term “’a’ or ‘an’ in patent parlance carries the meaning of ‘one or more’ in open-ended claims containing the transitional phrase ‘comprising.’”); *Collegenet, Inc. v. Applyyourself, Inc.*, 418 F.3d 1225, 1232 (Fed. Cir. 2005) (construing the term “a” in the claim phrase “providing . . . forms. . . in *a* format specified by the institution . . .” to mean “one or more” and stating that “[i]t is well settled that the term ‘a’ or ‘an’ ordinarily means ‘one or more.’”); *KCJ Corp. v. Kinetic Concepts, Inc.*, 223 F.3d 1351, 1357 (Fed. Cir. 2000). (“In the present case, neither the claim nor its context suggests an exceptional meaning for the article. The intrinsic evidence simply provides no support for departing from the general rule. At the outset, the claim language of clause (a), ‘a . . . continuous . . . chamber,’ does not specify the number of elements. Thus, under the general rules of claim construction, this court presumes the customary meaning of ‘a’ - one or more. Furthermore, the written description does not trump that construction.”); *Scanner Technologies Corp. v. ICOS Vision Systems Corp. N.V.*, 365 F.3d 1299, 1304-05 (Fed. Cir. 2004) (“Where an open ‘comprising’ claim includes the article ‘a’ or ‘an,’ and the specification is at best inconclusive on the patentee’s intent to limit that article to a single element or step, we do not find a “clear intent” to so limit the claims.”)

Further, the use of the term “*the* information” does not limit information to a single set of information combined from the items. “The information” comes from the plurality of items and thus refers to the information from the first item, the information from the second item, etc. *See, Free Motion Fitness*, 423 F.3d at 1350-1351 (“[w] also reject Cybex’s argument that use of the word ‘the’ in connection with the word ‘cable’ later in the claim shows that the earlier reference to ‘a’ denotes singularity. Like the words ‘a’ and ‘an,’ the word ‘the’ is afforded the same presumptive meaning of ‘one or more’ when used with the transitional phrase ‘comprising.’”)

The Round 3 Defendants’ construction is incorrect for the additional reason that the preferred embodiment of the invention described in the patent specification would not fall within the scope of these claims. *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1583-1584 (Fed. Cir. 1996) (“Indeed, if ‘solder reflow temperature’ were defined to mean liquidus temperature, a preferred (and indeed only) embodiment in the specification would not fall within the scope of the patent claim. Such an interpretation is rarely, if ever, correct and would require highly persuasive evidentiary support, which is wholly absent in this case."), *citing, Modine Mfg. Co. v. United States Int'l Trade Comm'n*, 75 F.3d 1545, 1550 (Fed. Cir. 1996) and *Hoechst Celanese Corp. v. BP Chems. Ltd.*, 78 F.3d 1575, 1581 (Fed. Cir. 1996) ("We share the district court's view that it is unlikely that an inventor would define the invention in a way that excluded the preferred embodiment, or that persons of skill in this field would read the specification in such a way."); *See also, Interactive Gift Express, Inc. v. Compuserve Inc.*, 231 F.3d 859, 876 (Fed. Cir. 2000); *Chimie v. PPG Indus.,* 402 F.3d 1371, 1377 (Fed. Cir. 2005).

Here, the patent specification does not describe the system as limiting the information to a single identification code which identifies all of the plurality of items or limiting the information to a single set of ordered data blocks for all of the information in the system. ('992 patent, 6:35-39; 10:17-22; 10:31-34; 18:60-19:10; set out above). As described in these portions of the specification and shown in Figures 2a and 7, each item has information and each item is assigned a unique identification code, meaning that there is a plurality of identification codes. Further, the information for each item is formatted, ordered (i.e., time encoded), and then compressed. This formatted, ordered, compressed information for each item is then stored in a separate file for that item in the transmission system, each file being stored with its unique identification code, meaning that there is a plurality of sets of ordered data blocks.

4. "Receiving System" ('992 Patent, Claims 19, 47; '275 Patent, Claims 2, 5)

Acacia	The receiving system is an assembly of elements, hardware and software, capable of functioning together to receive information, store information, and be used to play back information. "Playback" and "playing back" is the process of providing signals comprising video and/or audio information, wherein the signals can be displayed and/or heard on a device, such as an audio amplifier and/or television, or recorded.
Rounds 1 and 2 Defendants	Indefinite.
Round 3 Defendants	"Receiving system" in the '992 patent claims, for present purposes, should be construed to mean the same thing as "reception system," a term which the Court has already construed and about which TWC and CSC will be heard during the August 11, 2006 Markman hearing. For this reason, the

	construction of "receiving system(s)" in the '992 patent claims will be addressed on a schedule to be agreed upon for disclosure and briefing for the August 11 hearing.

The term "receiving system" appears in claims 19 and 47 of the '992 patent and in claims 2 and 5 of the '275 patent. In these claims, there are multiple receiving systems with each receiving system being at a remote location: ". . . *receiving systems* at remote locations." Each receiving system is also described as receiving information and being used to play back the information: "receiving the sent information by the *receiving system* at the selected remote location" and "playing back the stored copy of the information using the *receiving system* at the selected remote location at a time requested by the user."

In one embodiment, the patent specification identifies the receiving system as being depicted in Figure 6 of the specification:

> Fig. 6 is a block diagram of a preferred implementation of the *receiving system* of the present invention.

('992 patent, 3:39-40; emphasis added).

Figure 6 identifies the receiving system with reference number 200. The receiving system in Figure 6 includes a transceiver 201, which is capable of receiving information, and includes a number of elements which are used for play back, as described in the patent specification – a data formatter 204, an audio decompressor 209 and/or a video decompressor 208, and a converter 206 (which includes one or more of the following: digital video output converter 211, analog video output converter 213, digital audio output converter 212, and analog audio output converter 214):

> FIG. 6 illustrates a block diagram of a preferred implementation of the reception system[7] 200 according to the present invention. The reception system 200 is responsive to user requests for information stored in source material library 111. *The reception system 200 includes transceiver 201*

[7] Although this portion of the patent specification refers to the system depicted in Figure 6 as the "reception system," this description is equally applicable to the "receiving system." This is because the patent specification also refers to the system depicted in Figure 6 as the "receiving system." (*See*, '992 patent, 2:62-3:14; 3:39-40; and Claims 22-32 of the originally-filed specification, pages 51-54).

which receives the audio and/or video information transmitted by transmitter 122 of the transmission system 100. The transceiver 201 automatically receives the information from the transmitter 122 as compressed formatted data blocks.

The transceiver 201 is preferably connected to receiver format converter 202. The receiver format converter 202 converts the compressed formatted data blocks into a format suitable for playback by the user in real time.

In the reception system 200 of the present invention, the user may want to play back the requested item from the source material library 111 at a time later than when initially requested. If that is the case, the compressed formatted data blocks from receiver format converter 202 are stored in storage 203. *Storage 203 allows for temporary storage of the requested item until playback is requested.*

When playback is requested, the compressed formatted data blocks are sent to data formatter 204. Data formatter 204 processes the compressed formatted data blocks and distinguishes audio information from video information.

The separated audio and video information are respectively decompressed by audio decompressor 209 and video decompressor 208. The decompressed video data is then sent simultaneously to converter 206 including digital video output converter 211 and analog video output converter 213. The decompressed audio data is sent simultaneously to digital audio output converter 212 and analog audio output converter 214. The outputs from converters 211-214 are produced in real time.

The real time output signals are output to a playback system such as a TV or audio amplifier. They may also be sent to an audio/video recorder of the user. By using the reception system 200 of the present invention, the user may utilize the stop, pause, and multiple viewing functions of the receiving device. Moreover, in a preferred embodiment of the present invention, the output format converters may be connected to a recorder which enables the user to record the requested item for future multiple playbacks.

(‘992 patent, 17:67-18:45; emphasis added).

In Markman I, the Court construed the “reception system” of the claims of the ‘702 patent as: “an assembly of elements, hardware and software, capable of functioning together to receive items of information.” (Markman I, 28:21-23). This construction is instructive but not totally applicable to the “receiving system” of claims 19 and 47 of the ‘992 patent, because these claims state that the receiving system is used to not only receive information – it also is used to store information and play back information.

The Rounds 1 and 2 Defendants contend that the term “receiving system” is indefinite; however the Rounds 1 and 2 Defendants have not provided Acacia with the grounds for their contention. Acacia therefore reserves all rights to address the Rounds 1 and 2 Defendants' indefiniteness contentions in its reply brief.

5. "Items Containing (or Having) Information" ('992 Patent, Claims 19, 41, 47; '275 Patent, Claims 2, 5)

Acacia	The phrase "items containing (or having) information" does not require construction, however, an item containing information may be described as a thing containing information.
Rounds 1 and 2 Defendants	Physical objects on which information is stored, such as videotapes or laser disks.
Round 3 Defendants	"Items containing (or having) information" is a term which the Court has already construed, meaning TWC and CSC will be heard as to the construction of this term during the August 11, 2006 Markman hearing. For this reason, the construction of "items containing (or having) information" will be addressed on a schedule to be agreed upon for disclosure and briefing for the August 11 hearing.

The phrase "items containing (or having) information" appears in claims 19, 41, and 47 of the '992 patent and in claims 2 and 5 of the '275 patent. The term "item" also appears in many other claims of all of the patents in the Yurt family of patents. In claims 19 and 47 of the '992 patent and claims 2 and 5 of the '275 patent, "items" appears in the phrase: ". . . items in a transmission system containing information. . .", "storing, in the transmission system, information from *items* in a compressed data form. . ." In claim 41 of the '992 patent, the term "items" appears in the phrases "storing *items* having information in a source material library; retrieving the information in the *items* from the source material library."

Defendants have requested that the Court construe the phrase "items containing (or having) information" rather than simply the term "item." In Markman I, the Court construed the phrase "items containing information" to mean "items containing information in analog or digital format." The Rounds 1 and 2 defendants had the opportunity to seek reconsideration of the Court's construction of this phrase in Markman II, but none chose to do so.

The term "item" is an example of a term in which the ordinary meaning, as understood by persons of ordinary skill in the art, should be readily apparent. Claim construction in these cases "involves little more than the application of the widely accepted meaning of commonly understood words." *Phillips*, 415 F.3d at 1314. In such circumstances, "general purpose dictionaries may be helpful." *Id.*

The term "item" is defined in *Webster's Third New International Dictionary* (1993) as "an individual thing . . . singled out from an aggregate of individual things." (See Block Declaration, Exhibit 1). Using the "thesaurus" function in Microsoft Word reveals that the primary meaning for the term "item" is "thing."

The term "item" is used in the patent specification to describe many different things:

1. The term "items" is used to describe materials in the source material library in the form of analog or digital information or physical objects:

> Transmission system 100 of a preferred embodiment of the present invention preferably includes source material library means for temporary storage of *items* prior to conversion and storage in a compressed data library means. The *items* of information may include analog and digital audio and video information as well as physical objects such as books and records which require conversion to a compatible media type before converting, compressing and storing their audio and video data in the compressed data library means.
>
> As shown in FIG. 2a, the source material library means included in transmission system 100 preferably includes a source material library 111. The source material library 111 may include different types of materials including television programs, movies, audio recordings, still pictures, files, books, computer tapes, computer disks, documents of various sorts, musical instruments, and other physical objects.

('992 patent, 5:66-6:15; emphasis added).

2. The term "items" is used to describe the files of compressed digital data stored in the compressed data library:

> Prior to being made accessible to a user of the transmission and receiving system of the present invention, the *item* must be stored in at least one compressed data library 118, and given a unique identification code by identification encoder 112.

('992 patent, 6:35-39; emphasis added).

> The system item database may contain information records for individual frames or groups of frames. These can represent still frames, chapters, songs, book pages, etc. The frames are a subset of, and are contained within, the *items* stored in the compressed data library 118. Time encoding by time encoder 114 makes *items* and

> subsets of *items* retrievable and addressable throughout the transmission system 100.

(‘992 patent, 8:48-52; emphasis added).

> The user may access *items* in the compressed data library 118 directly using the unique address code or the user may obtain access via the remote order processing and item database.

(‘992 patent, 11:25-28; emphasis added).

> All *items* stored in the compressed data library 118 are on line and are connected to the high speed network. Thus, they may be readily accessed.

(‘992 patent, 12:55-57; emphasis added).

3. The term “items” is also used to describe a particular work – i.e., a video or audio program, such as a movie or a song:

> For example, a user may desire to listen to a particular song. They may preferably enter the song number either when requesting the *item* from the compressed data library 118 and only have that song sent to their receiving system 200 or they may preferably select that particular song from the items buffered in their receiving system 200.

(‘992 patent, 8:36-42; emphasis added).

> Preferably, access of a requested *item* via the remote order processing and *item* database 300 operates as follows. If the user does not know the title of the desired *item*, he or she may request the *item* by naming other unique facts related to the *item*. For example, a user would be able to access an *item* about Tibetan Medicine by asking for all *item*s which include information about “Tibet” and include information about “Medicine.” The remote order processing and *item* database 300 would then be searched for all records matching this request. If there is more than one *item* with a match, each of the names of the matching *item*s are preferably indicated to the user. The user then selects the *item* or *item*s that he or she desires. Upon selection and confirmation, by the user, a request for transmission of a particular *item* or *item*s is sent to the distribution manager program of the system control computer 1123. The request contains the address of the user, the address of the *item*, and optionally includes specific frame numbers, and a desired viewing time of the *item*.

(’992 patent, 12:8-27; emphasis added).

The Rounds 1 and 2 Defendants contend that the term “items containing (or having) information” is limited to only those objects on which information is stored, such as videotapes or laser disks. Nothing in the claims or specification indicates that the term “items containing (or having) information" should be limited only to "physical objects." As demonstrated above, the specification does not limit the meaning of the term "items" to physical objects or to only physical objects on which information is stored. Defendants' construction would therefore unduly limit the meaning of items and, in effect, improperly import limitations from the specification into the claims. *See, CollegeNet, Inc*., 418 F.3d at 1231, *citing*, *Teleflex, Inc. v. Ficosa N. Am. Corp*., 299 F.3d 1313, 1326 (Fed. Cir. 2002) ("In examining the specification for proper context, however, this court will not at any time import limitations from the specification into the claims.")

The fact that the term "item" is part of the phrases "item containing (or having) information" does not mean that this phrase is limited to physical objects. These phrases do not indicate that the term "items" must be limited only to physical objects. The specification states that the items of information which are stored in the source material library may be "analog and digital audio and video information" ('992 patent, 6:2-3) or may be "files" ('992 patent, 6:13). Digital information and files are *not* physical objects, but they may be items having information and may be stored in the source material library.

Defendants' proposed construction for the term "items" in claims 19, 41, and 47 of the '992 patent and 2 and 5 of the '275 patent would also improperly cause the term "items" to be used *inconsistently* with other claims in the '992 patent and other patents in the Yurt family of patents. *See, Wilson Sporting Goods Co. v. Hillerich & Bradsby Co.*, 2006 U.S. App. LEXIS 7169, *13 (Fed. Cir. March 23, 2006), *quoting, Fin Control Sys. Pty., Ltd. v. OAM, lnc.*, 265 F.3d 1311, 1318 (Fed. Cir. 2001) ("Under this court's case law, the same terms appearing in different claims in the same patent – e.g., "gap" in claims 1 and 15 – should have the same meaning 'unless it is clear from the specification and prosecution history that the terms have different meanings at different portions of the claims.'")

For instance, claim 25 of the '992 patent also uses the term "item" in the phrase: "transceiver means, coupled to the requesting means, for receiving the *item* from the transmission system as at least one compressed, formatted data block." In this phrase, the term "item" refers to at least one compressed, formatted data block which is transmitted. The term "item" therefore cannot be limited to physical objects, because this would be inconsistent with the use of the term "item" in claim 25 of the '992 patent.[8]

The Round 3 Defendants contend that the Court construed the phrase "items containing (or having) information" in its prior Markman decision and therefore these defendants can reserve their arguments on the construction of this term for the August 11, 2006 hearing. Acacia does not believe that the Court construed the term "items containing (or having) information" in any prior Markman decision and has asked the Round 3 Defendants to provide a citation to the portion of the Markman decision where the Court construed this term. The Round 3 Defendants have not provided Acacia with such citation and therefore the Round 3 Defendants must present its contentions regarding this phrase in connection with the briefing and argument at the June 2, 2006 hearing.

6. "Time Requested by the User" ('992 Patent, Claims 19, 47; '275 Patent, Claims 2, 5)

Acacia	The phrase "time requested by the user," as used in claims 19 and 47, means the time, after the transmitted information has been received and stored at the receiving system, when the user requests that the receiving system play back the received information.
Rounds 1 and 2 Defendants	The time specified by the user in a request sent to the transmission system.
Round 3 Defendants	The request by the user to the transmission system "for at a least a part of the stored information" must include a specific time supplied by the user specifying when playback is desired. (Systems which permit users only to request "play" for immediate playback do not satisfy this limitation.)

The phrase "time requested by a user" appears in claims 19 and 47 of the '992 patent and in claims 2 and 5 of the '275 patent. This phrase is used in connection with the step of playing back the information – e.g., "playing back the stored copy of the information using the receiving system at the selected remote location at a *time requested by the user*." (claim 19 of the '992 patent).

[8] Other examples are found in claims 14 and 17 of the '863 patent (both of which are at issue in this case). Claim 14, for example, includes the limitation: "transmitting compressed, digitized data representing a complete copy of at least one *item* of audio/video information at a non-real time rate from a central processing location." Again, the term "item" cannot be limited to a "physical object" in this claim; it must be broad enough to include digital information.

Both groups of defendants urge the Court to adopt a legally incorrect construction; neither the claims nor the specification require a user to specify a time for playback in a request sent to the transmission system. Their proposed construction ignores the portions of the patent specification where the receiving system includes a storage device for storing a complete copy of the information, and the user requests play back after the information has been received and has been stored at the receiving system. This request is *separate and distinct* from the user's initial request to the transmission system for the transmission of the information:

> In the reception system 200 of the present invention, *the user may want to play back the requested item from the source material library 111 at a time later than when initially requested.* If that is the case, the compressed formatted data blocks from receiver format converter 202 are stored in storage 203. Storage 203 allows for temporary storage of the requested item until playback is requested.
>
> *When playback is requested*, the compressed formatted data blocks are sent to data formatter 204. Data formatter 204 processes the compressed formatted data blocks and distinguishes audio information from video information.

('992 patent, 18:14-26; emphasis added).

> The received information is preferably buffered (step 418) by a storage means analogous to element 203 shown in FIG. 3. The information is preferably buffered so that it may be stored by the user for possible future viewings. *The requested information is then played back to the reception system 200 of the user at the time requested by the user* (step 419).

('992 patent, 19:30-36; emphasis added).

The context in which the phrase "time requested by the user" is used in claims 19 and 47 of the '992 patent and in claims 2 and 5 of the '275 patent confirms that this request is separate and distinct from the user's initial request for transmission of the information. *See. Phillips*, 415 F.3d at 1314 ("To begin with, the context in which a term is used in the asserted claim can be highly instructive.") The claims require a user request for part of the information to be transmitted to a receiving system. The claims do not state that this request requires the user to identify a time at which the user wishes to play back the received information. Further, the claims introduce the request for play back without referring to this initial request for transmission: "playing back the stored copy of the information using the receiving system at the selected remote location at *a* time requested by the user." The claim does *not* say that the play back occurs at *the* time requested by the user. In other words, the use of the word “a” instead of the word “the,” when referring to the time requested by the user, means that the time requested by the user is a *new* request, separate and distinct from the user’s initial request for the transmission.

The Round 3 Defendants contend that the user’s initial request must include a time specifying when playback is desired. Although this is described in the specification, it is merely one embodiment of the invention. Another embodiment is the one described at 18:14-26 of the ‘992 patent (quoted above) which is consistent with context of the claims.

The Rounds 1 and 2 Defendants contend that the time specified (for playback) by the user must be “in a request sent to the transmission system.” In the embodiment of the invention described at 18:14-26 (quoted above) of the ‘992 patent, the specification does not require, or even state, that the request for play back be sent to the transmission system. In fact, requiring that the request for play back be sent to the transmission system in this embodiment would not make any sense. In this embodiment, in claims 19 and 47 of the ‘992 patent, and in claims 2 and 5 of the ‘275 patent, the request for the information has already been made and a complete copy of the information has been received and stored in the receiving system. There would be no reason to send an additional request to the transmission system to play back information that has already been sent to and stored in its entirety at the receiving system.

7. “User” (‘992 Patent, Claim 19, 47; ‘275 Patent, Claims 2, 5)

Acacia	The term “user” does not require construction, however, it may be described as one that uses.
Rounds 1 and 2 Defendants	A “user” is a subscriber or customer.
Round 3 Defendants	A user is a human.

The term “user” appears in claims 19 and 47 of the ‘992 patent and in claims 2 and 5 of the ‘275 patent. In these claims, the user sends a request to the transmission system for the transmission of information and selects the remote location: “sending a request by the *user* to the transmission system, for at least part of the stored information to be transmitted to the one of the receiving systems at one of the remote location [sic] selected by the *user*." (Claim 19 of the '992 patent). After receiving and storing the information, the user also requests the time for playing back the information: "playing back the stored copy of the received information in the receiving system at a time requested by the user." (Claim 19 of the '992 patent).

The term "user" is an example of a term in which the ordinary meaning, as understood by persons of ordinary skill in the art, should be readily apparent, and therefore construction of this term should involve "little more than the application of the widely accepted meaning of commonly understood words." *Phillips*, 415 F.3d at 1314.

The term "user" is defined in *Webster's Third New International Dictionary* (1993) as "one that uses." (See Block Declaration, Exhibit 2). Although the specification mentions that users *may* be subscribers or customers, nothing in the claims or the patent specification sets forth any different definition or *requires* any additional limitation to this meaning. The term "user" is used throughout the specification regarding the user's request for the information and request for playback of the received, stored information:

> The methods of requesting a stored item are analogous to making an airline reservation or transferring funds between bank accounts. Just as there are different methods available for these processes it is desirable to have several ordering methods available to the *users* of the system of the present invention. For example, telephone tone decoders and voice response hardware may be employed. Additionally, operator assisted service or *user* terminal interfaces may be used.

('992 patent, 13:51-60; emphasis added).

> Access by a *user* terminal interface method provides the *user* with access from various terminals including personal computers, and specialized interfaces built into the reception system 200 for the *user*. Such access allows a *user* to do a search of available programs from a computer screen. This process involves the steps 4000 shown in FIG. 4.
>
> FIG. 4 is a flowchart of a preferred method of *user* request via a *user* interface of the present invention. In the preferred method of FIG. 4, the *user* first logs onto the *user* terminal interface (step 4010). After the *user* logs on, the *user* may preferably select a desired item by searching the database of available titles in the library system control computer 1123 or any remote order processing and item database 300 (step 4020). The search may preferably be performed using the database containing the program notes, described above with respect to FIGS. 2a and 2b. It is possible to process orders and operate a database of available titles at multiple locations remote of the source material library 111. *User*s and order processing operators may preferably access such remote systems and may

> place transmission requests from these systems. Orders placed on these systems will be processed and distributed to the appropriate libraries. After the desired item is found, the *user* selects the item for transmission at a specific time and location (step 4030).

('992 patent, 14:64-15:22; emphasis added).

> In the reception system 200 of the present invention, the *user* may want to play back the requested item from the source material library 111 at a time later than when initially requested. If that is the case, the compressed formatted data blocks from receiver format converter 202 are stored in storage 203. Storage 203 allows for temporary storage of the requested item until playback is requested.
>
> When playback is requested, the compressed formatted data blocks are sent to data formatter 204. Data formatter 204 processes the compressed formatted data blocks and distinguishes audio information from video information.

('992 patent, 18:14-26; emphasis added).

> The received information is preferably buffered (step 418) by a storage means analogous to element 203 shown in FIG. 3. The information is preferably buffered so that it may be stored by the *user* for possible future viewings. The requested information is then played back to the reception system 200 of the *user* at the time requested by the *user* (step 419).

('992 patent, 19:30-36; emphasis added).

The Rounds 1 and 2 Defendants add limitations to the meaning of "user" that are not part of the terms ordinary meaning and not required by either the claims or the specification. The Rounds 1 and 2 Defendants add the limitation that the "user" be a subscriber or customer. Interestingly, the Round 3 Defendants do not include this limitation in their proposed construction. The Rounds 1 and 2 Defendants proposed limitation would require that, in addition to being a user of the system, the user must take some other act to become a "subscriber" or a "customer," such as providing personal information or money. Nothing in the ordinary meaning of "user" or in its use in the claims or the specification *requires* that a user take these additional steps before they can be considered a "user." Defendants' construction is therefore improper, as there is no justification for deviating from the ordinary meaning of "user" or for importing a limitation from the specification. *See*, *Phillips*, 415 F.3d at 1312 ("We have frequently stated that the words of a claim 'are generally given their ordinary and customary meaning.'"), *quoting*, *Vitronics*, 90 F.3d at 1582; *CollegeNet, Inc.*, 418 F.3d at 1231 ("this court will not at any time import limitations from the specification into the claims.")

8. "To One of the Receiving Systems at One of the Remote Locations Selected by the User" and "the Receiving System at the Selected Remote Location"; "The Receiving System at One of the Remote Locations Selected by the User"; and "the Receiving System at the Selected Remote Location" ('992 Patent, Claims 19, 47)

Acacia	The "remote location selected by the user" and the "selected remote location" are a site or position distant in space from the transmission system that is selected by the user from among two or more sites or positions distant in space from the transmission system.
Rounds 1 and 2 Defendants	The "remote location selected by the user" and the "selected remote location" are: "A premises that the user specifies in the request, where one of the available options is a premises that is different from the premises where the user makes the request.
Round 3 Defendants	When the user requests "at least a part of the stored information," the user chooses the premises, from among a plurality of (two or more) premises, to which the information will be sent. Each of the premises from which the user chooses has a receiving system to which the information can be transmitted. The premises chosen by the user must be different from the premises at which the user makes the request. The request by the user to the transmission system "for at least a part of the stored information" must include an identification of the specific remote location selected by the user.

These phrases, which include the term "selected remote location," appear in claims 19 and 47 of the '992 patent. Claims 19 and 47 include the act of "sending a request, by the user to the transmission system, for at least a part of the stored information to be transmitted to one of the receiving systems at *one of the remote locations selected by the user*" and the act of "sending at least a portion of the stored information from the transmission system to the receiving system at the *selected remote location*."

According to the claims, there exists a plurality of potential remote locations, only one of which need be selected by the user. There are no additional limitations on the selected remote location in these claims. (*See,* Markman I, at 4:25 – 5:2: "Specifically, claims 19 and 47 contain additional limitations that the remote location be specified by the user. In other words, the term 'remote locations' is used consistently by the inventors in all claims but the inventors added additional words that limit the term to a remote location selected by the user in claims 19 and 47").

Further, the Court has already twice construed the term "remote locations" in claims 1, 19, 41, and 47 of the '992 patent to mean "positions or sites distant in space from some identified place." The fact that claims 19 and 47 state that the information is "sent from the transmission system to receiving systems at remote locations" means that the term "remote locations" is described in relation to the transmission system. (*See*, Markman I, at 4:18-23).

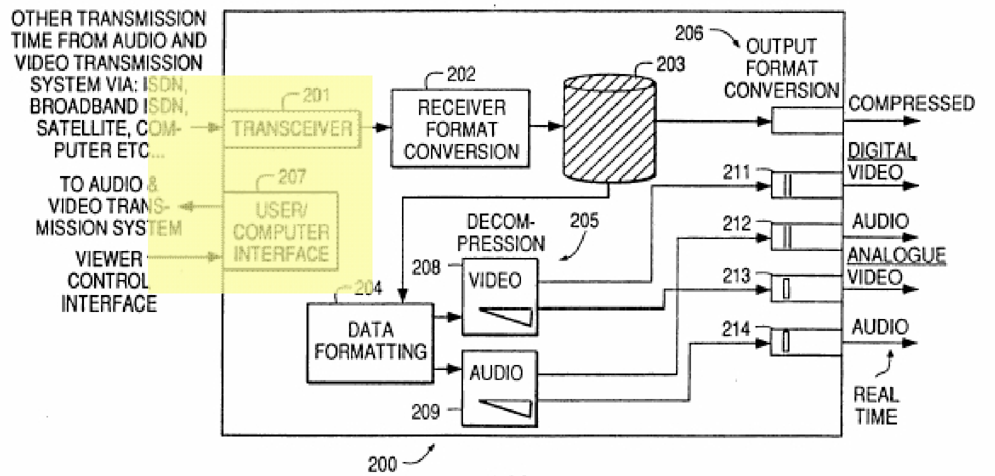
Therefore, Acacia's proposed construction is consistent with the Court's prior construction of "remote locations." Acacia proposes that "the remote location selected by the user" and the "selected remote location" be construed as "a site or position distant in space from the transmission system that is selected by the user from among two or more sites or positions distant in space from the transmission system."

The Rounds 1 and 2 Defendants contend that these terms shall be construed to include the limitation that "one of the available options is a premises that is different from the premises where the user makes the request." Similarly, the Round 3 defendants contend that the selected remote location must be different than the premises where the user is located when the user makes their request. These defendants are attempting to make the same argument that was made in Markman II, which the Court rejected, that the remote location to which the information is transmitted is a location remote from the requesting site. For the same reasons rejected by the Court in Markman II, this is not the meaning of "selected remote locations." Claims 19 and 47 do not say anything about the location of the user when the request is made, and they especially do not state where the user is located when they make the request in relation to where the information is transmitted.

Further, nothing in the patent specification precludes the user from making the selection and receiving the information at the *same location*. The specification discloses that the user may make a request using a user terminal, which may be an interface built directly into the reception system 200. ('992 patent, 14:64-15:2, quoted below). Figure 6 depicts the reception system as being the place where the user requests the information *and* receives the requested information:

> *Access by a user terminal interface method provides the user with access from various terminals including personal computers, and specialized interfaces built into the reception system 200 for the user*. Such access allows a user to do a search of available programs from a computer screen. This process involves the steps 4000 shown in FIG. 4.

('992 patent, 14:64-15:2; emphasis added).



OTHER TRANSMISSION TIME FROM AUDIO AND VIDEO TRANSMISSION SYSTEM VIA: ISDN, BROADBAND ISDN, SATELLITE, COMPUTER ETC...
TO AUDIO & VIDEO TRANSMISSION SYSTEM
VIEWER CONTROL INTERFACE
201
TRANSCEIVER
207
USER/ COMPUTER INTERFACE
202
RECEIVER FORMAT CONVERSION
203
206
OUTPUT FORMAT CONVERSION
COMPRESSED
211
DIGITAL VIDEO
212
AUDIO
213
ANALOGUE VIDEO
214
AUDIO
REAL TIME
DECOMPRESSION
205
208
VIDEO
204
DATA FORMATTING
AUDIO
209
200

FIG. 6

Further, the patent specification never states that the user must only request that the information be sent to a different location than the location where the user is located when they make the request. The specification merely states that the user selects the location or that the user may make a request from a location different than the location of the reception system; there is nothing in the patent that prohibits the user from selecting, as the remote location, the same location from which the user makes the request:

> In direct connection configurations, such as reception systems 200 shown in FIGS. 1e and 1f, the user preferably selects the reception system 200 to which the requested material is sent, and optionally selects the time playback of the requested material as desired. Accordingly, the user may remotely access the transmission system 100 from a location different than the location of reception system 200 where the material will be sent and/or played back. Thus, for example, a user may preferably call transmission system 100 from work and have a movie sent to their house to be played back after dinner or at any later time of their choosing.

('992 patent, 5:10-21; emphasis added).

> The user then indicates whether the confirmation performed in step 3070 is correct (step 3080). If the confirmation performed in step 3070 is correct, the user so indicates and then inputs a desired delivery time and delivery location (step 3090).

('992 patent, 14:29-33; emphasis added).

> FIG. 4 is a flowchart of a preferred method of user request via a user interface of the present invention. In the preferred method of FIG. 4, the user first logs onto the user terminal interface (step 4010). After the user logs on, the user may preferably select a desired item by searching the database of available titles in the library system control computer 1123 or

Hennigan, Bennett & Dorman llp
lawyers
los angeles, california

> any remote order processing and item database 300 (step 4020). The search may preferably be performed using the database containing the program notes, described above with respect to FIGS. 2a and 2b. It is possible to process orders and operate a database of available titles at multiple locations remote of the source material library 111. Users and order processing operators may preferably access such remote systems and may place transmission requests from these systems. Orders placed on these systems will be processed and distributed to the appropriate libraries. After the desired item is found, *the user selects the item for transmission at a specific time and location* (step 4030).

('992 patent, 15:3-22; emphasis added).

Both groups of defendants contend that the remote location is a "premise." As discussed above in Section No. 2, above, with respect to "remote locations," Acacia has shown that the Court in Markman I and II adopted the ordinary meaning for "locations" – "sites or positions" – and specifically rejected "premises." (*See,* Markman I, at 30, n. 22).

The Round 3 Defendants contend that when the user makes the request, the user must, at that time, select from a plurality of choice of premises. There is no limitation in claim 19 or 47 which requires that the selection of a remote location be made at the time that the request is made. If anything, the claim states that the remote location is *already selected* when the request is made: "sending a request to . . . the remote location *selected* [past tense] by the user." There is no separate step or act set forth in these claims for "select*ing* the remote location." Defendants attempt to *add* the limitation into the claim that the user select the remote location simultaneously with making their request, even though no such limitation exists in claims 19 or 47. *See, Hoganas AB v. Dresser Industries, Inc.*, 9 F.3d 948, 950 (Fed. Cir. 1993) ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim.")

The Round 3 Defendants further contend that the request to the user *must* include an identification of the specific remote location selected by the user. The claim does not state that the request includes an identification of the specific remote location selected by the user, and therefore the Round 3 Defendants are again attempting to import limitations into the claim that are not present in the claim. Further, the specification does not state that the request *must* include an identification of the selected remote location – the specification states that the request *may* include the address of the user (not the selected remote location) or an identification of the receiver (not the selected remote location) specified by the user:

> The compressed and encoded audio and/or video information is sent over standard telephone, cable or satellite broadcast channels *to a receiver specified by a subscriber of the service*, preferably in less than real time, for later playback and optional recording on standard audio and/or video tape.

('992 patent, Abstract; emphasis added).

> The user then selects the item or items that he or she desires. Upon selection and confirmation, by the user, a request for transmission of a particular item or items is sent to the distribution manager program of the system control computer 1123. *The request contains the address of the user, the address of the item, and optionally includes specific frame numbers, and a desired viewing time of the item.*

('992 patent, 12:20-27; emphasis added).

The Round 3 Defendants further contend that "each of the plurality of premises available for the user to choose from must have a receiving system to which the information can be transmitted." Defendants are again seeking to add limitations to claims 19 and 47 that are not present in these claims. Claims 19 and 47 state only that the user makes a request for information to be "transmitted to one of the receiving systems at one of the remote location[s] selected by the user." Thus, the claim only requires a remote location selected by the user and a receiving system at that selected remote location. The fact that the remote location is one of a plurality of remote locations and the fact that the receiving system is also one of a plurality of receiving systems does *not* mean, as the Round 3 Defendants contend, that each remote location available for selection by the user "must" have a receiving system "to which information can be transmitted." These limitations are simply not present in the claims and the claims cannot be construed to include these limitations. *Hoganas*, 9 F.3d at 950.

9. "Sending at Least a Portion of the Stored Information From the Transmission System" ('992 Patent, Claims 19; '275 Patent, Claims 2, 5)

Acacia	The phrase "sending at least a portion of the stored information from the transmission system" does not require construction, however, it may be described as the act of sending the requested portion of the information that was stored in the transmission system in compressed data form.
Rounds 1 and 2 Defendants	The term "sending at least a portion of the stored information from the transmission system" means that, in response to the user request, at least a

	portion of the information from items in compressed data form that was stored in the transmission system must be retrieved from the device on which it was stored, then sent.
Round 3 Defendants	The term "sending at least a portion of the stored information from the transmission system" means that, in response to the user request, at least a portion of the information from items in compressed data form that was stored in the transmission system must be retrieved from the device on which it was stored, then sent.

The phrase "sending at least a portion of the stored information from the transmission system" appears in claim 19 of the '992 patent and claims 2 and 5 of the '275 patent. Acacia contends that meaning of this phrase is evident from the words themselves, and therefore this phrase does not require any construction.

Both groups of defendants, however, seek to *add* limitations to the meaning of this phrase in their proposed construction. Defendants contend that the construction of this phrase should include the limitation that the information is "retrieved from the device on which it was stored." Nothing in these claims state either that the information is stored on a storage device or that the information must be retrieved from the device on which it was stored. As these limitations do not appear in the claims themselves, the Court should not add these limitations to the construction of this phrase. These claims are method claims and the method is perfectly understandable without these limitations.

10. The Order of the Steps of Claim 19 ('992 Patent, Claims 19)

Acacia	The steps of claim 19 of the '992 patent must be performed in the following order: 1. "storing, in the transmission system, information from items in a compressed data form, the information including an identification code and being placed into ordered data blocks"; 2. "sending a request by the user to the transmission system . . ."; 3. "sending at least a portion of the stored information . . ."; 4. "receiving the sent information . . ."; 5. "storing a complete copy of the received information . . ."; and 6. "playing back the stored copy . . ."

Rounds 1 and 2 Defendants	The steps of claim 19 of the ‘992 patent must be performed in the following order: 1. storing information in the transmission system; 2. sending a request to the transmission system; 3. sending at least a portion of the stored information; 4. receiving the sent information; 5. storing a complete copy of the received information; and 6. playing back the stored copy. In addition, as part of the first step of storing information, the act of placing information including an identification code into ordered data blocks must occur prior to placing the information into a compressed data form.
Round 3 Defendants	The steps of claim 19 of the ‘992 patent must be performed in the following order in which these steps are recited in the claim, namely: 1. “storing information, in the transmission system, information from items in a compressed data form, the information including an identification code and being placed into ordered data blocks”; 2. “sending a request, by the user to the transmission system . . .”; 3. “sending at least a portion of the stored information . . .”; 4. “receiving the sent information . . .”; 5. “storing a complete copy of the received information . . .”; and 6. “playing back the stored copy . . .” In addition, as part of the first step of storing information, the act of placing information including an identification code into ordered data blocks must occur prior to placing the information into a compressed data form.

The parties dispute the order of the steps of claim 19 of the ‘992 patent with respect to the first step of claim 19. Acacia contends that the first step of claim 19 “storing, in the transmission system, information from items in a compressed data form, the information including an identification code and being placed into ordered data blocks” comprises only the single step of “storing” information which was previously placed into ordered data blocks and which was previously compressed (in that order). (See, Section No. 3, above).

Defendants, however, contend that this first step contains the additional acts of placing the information into ordered data blocks and of compressing the ordered data blocks. As discussed above in Section No. 3, there is no step (or act) of placing into ordered data blocks or compressing in this phrase. The only step required is that of "storing."

III. CLAIM 20 OF THE '992 PATENT

Claim 20 of the '992 patent depends from claim 19:

> 20. The distribution method as recited in claim 19, **[11] wherein the information in the items includes analog and digital signals,** and wherein the step of storing the information **[18] comprises the steps, performed by the transmission system, of**:
>
> converting the analog signals of the information to digital components;
>
> formatting the digital signals of the information;
>
> **[11] ordering the converted analog signals and the formatted digital signals into a sequence of addressable data blocks** and;
>
> compressing the ordered information.

11. "Wherein the Information in the Items Includes Analog and Digital Signals" and "Ordering the Converted Analog Signals and the Formatted Digital Signals Into a Sequence of Addressable Data Blocks." ('992 Patent, Claim 20)

Acacia	The phrase "ordering the converted analog signals and the formatted digital signals into a sequence of addressable data blocks" means the act of time encoding converted analog signals and formatted digital signals to create time encoded data blocks.
Rounds 1 and 2 Defendants	"Addressable" means that there is a known association between each data block and its storage location so that the transmission system can retrieve any individual data block by using its storage location.
Round 3 Defendants	The information obtained from the plurality of physical items must include information in both analog and digital form, from which one set of sequenced and addressable data blocks must be formed. "Sequence of addressable data blocks" is a term which the Court has already construed, meaning TWC and CSC will be heard as to the construction of this term during the August 11, 2006 Markman hearing. For this reason, the construction of "sequence of addressable data blocks" will be addressed on a schedule to be agreed upon for disclosure and briefing for the August 11 hearing.